



The President's Daily Brief

27 September 1969

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BOLIVIA

The new government installed by General Ovando yesterday shows a strong leftist and nationalistic orientation.

Fifteen cabinet ministers--nine civilians and six military officers--were sworn into office immediately following the coup. The civilians are all young, strongly nationalistic, and, with the possible exception of the finance minister, sharply critical of US policies in Bolivia. The US Embassy reports that the military men in the cabinet are strong personalities, which might indicate that early strains are likely to arise in the government.

Ovando gave evidence that he intends to follow a nationalistic policy by announcing that his first act would be to annul the petroleum code, a move obviously aimed at the US-owned Bolivian Gulf Oil Company. The new government may be planning to obtain greater revenues from the company through increased taxes or a demand for part ownership. Ovando has hinted on various occasions, however, that he would consider outright expropriation of the company if circumstances warranted such an action.

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Ovando said on the radio yesterday that the armed forces had

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taken power "to offer people a nationalistic and revolutionary alternative to the Siles government," which he characterized as perpetuating "a system of privilege and submission to foreign monopolistic interests."

In statements echoing those of Peruvian President Velasco, Ovando reiterated after official swearing in ceremonies that the change in government was not a coup but "a national left revolution aimed at structural changes." He stated that his government was now studying a plan for complete administrative reform and "wished to form an ideological confederation with Peru." Regarding relations with the US, Ovando said his government did not have any problems with the American people, and did not expect any with the US Government. He closed his press conference by referring to his government as "the second republic."

WEST GERMANY

Some late polls have shown the SPD in the lead as the West German election campaign goes down to the wire. We believe, however, that the recent wave of labor unrest and the renewed controversy over revaluation will, if anything, work to the CDU's benefit.

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SOVIET UNION

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PAKISTAN

The government may again have a tiger by the tail in East Pakistan. The US consul general in Dacca reports that Bengali student leaders, having defied two official summonses to appear and account for offenses they allegedly committed last week, have taken refuge on the Dacca University campus and are calling for a general student strike on Monday. At the same time some East Pakistani workers have gone on strike in defiance of martial law prohibitions.

The regime has the strength to maintain order in East Pakistan's urban areas, but its response to these challenges has been surprisingly sluggish so far. It is using the euphemism "work abstentions" for the strikes in an effort to avoid a test of strength with the workers, and it has not shown much

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determination to bring the students to book either. The province's ever-watchful politicians will find it hard to refrain for long from capitalizing on the discontent.

There is no trouble so far in East Pakistan's rural areas, where disturbances would present a far greater security problem. There have been a few unconfirmed reports from sources of the Consulate General, however, of an increase in agitation among the peasants by antiregime extremists.

LIBYA

The Libyan education minister resigned on Tuesday, apparently as a result of disagreement with Prime Minister Maghribi.

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We expect more fallings-out among the civilians in the government, many of whom belong to mutually antagonistic political groups. Unless major differences develop between the cabinet and the all-powerful junta, however, we do not anticipate a full-scale government shakeup.

The Libyan Government, meanwhile, concerned over the possibility that its opponents are drawing aid and comfort from within Wheelus Air Force Base, has further restricted access to the base. All vehicles are now being inspected, and entry permits issued to private citizens, American and foreign, have been suspended.

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